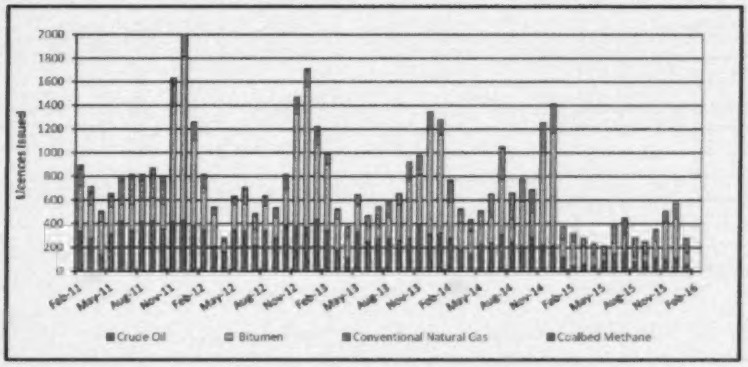
April 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 112 well licenses in February 2016, down 65% from the 321 well licences issued in February 2015.

There were 31 licences issued for crude oil in February 2016, down 35% from the 48 crude oil licences issued in February 2015.

81% of the crude oil licences issued in February 2016 were for horizontal wells.

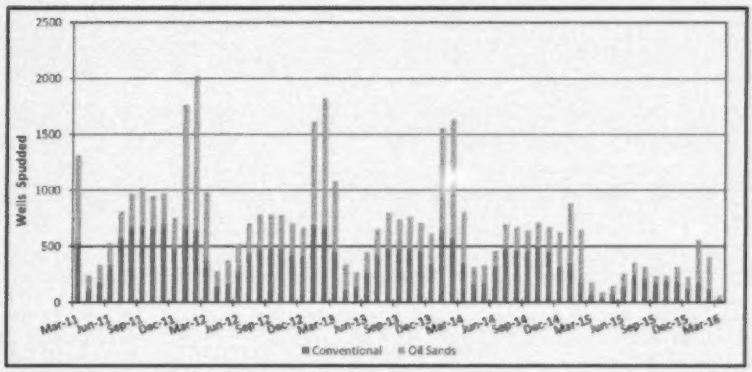
There were 51 natural gas well licenses (excluding CBM) issued in February 2016, 27% less compared to the 70 licences reported in February 2015.

98% of natural gas well licenses issued in February 2016 were for horizontal wells.

FEBRUARY 2016			
Licenced Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	50	43%
	Vertical/Direct	1	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	25	24%
	Vertical/Direct	6	
Bitumen	Horizontal	6	33%
	Vertical/Direct	4	
	Evaluation	20	
Total		**112**	**100%**

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



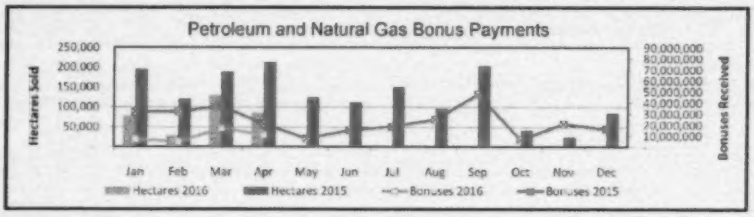
With a total of 62 spuds for the month of March 2016, activity has dropped 66% as compared to March 2015 when there were 182 spuds.

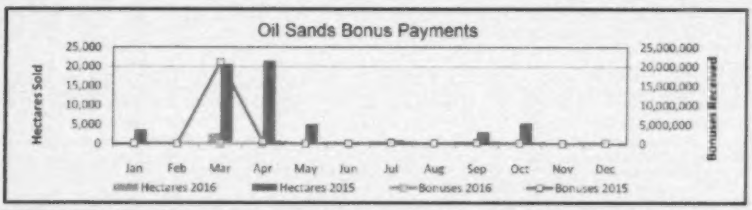
Year to date 2016, spuds for conventional wells are down 47% while oil sands spuds are down 37% as compared to the same period in 2015.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	760	708	532	110	181	339	573	679	690	678	701	484	**6,435**
	Oil Sands	1052	1295	786	131	153	186	239	289	329	277	273	273	**5,283**
2012	Conventional	691	645	370	135	169	278	430	467	480	472	422	411	**4,970**
	Oil Sands	1074	1377	610	141	206	241	274	318	304	310	285	264	**5,404**
2013	Conventional	694	688	453	112	137	266	412	485	480	476	458	346	**5,007**
	Oil Sands	922	1138	626	227	133	186	243	316	267	289	248	273	**4,868**
2014	Conventional	648	574	358	161	173	318	471	464	451	491	448	319	**4,876**
	Oil Sands	914	1062	454	159	162	141	227	209	194	225	228	307	**4,282**
2015	Conventional	350	185	75	52	76	142	240	212	166	192	189	125	**2,004**
	Oil Sands	536	466	107	43	76	114	112	104	68	48	131	104	**1,909**
2016	Conventional	180	116	27										**323**
	Oil Sands	379	286	35										**700**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales





Bonuses received from the petroleum and natural gas land sales held in April 2016 were about $11 million with an average price per hectare of $128.13.

There were no oil sands land sales in April 2016.

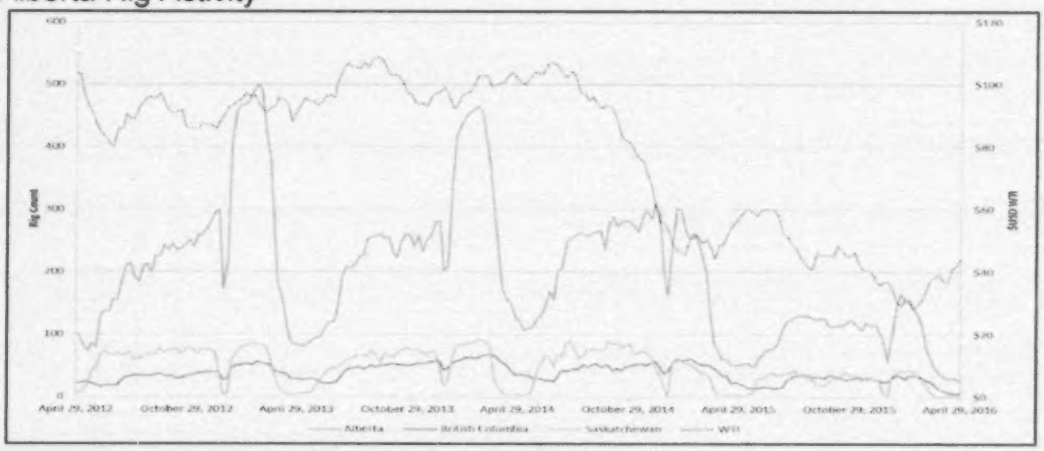
Between January and April 2016, Alberta received a total of $39.3 million from the sales of about 325 thousand hectares of land, compared to about $122 million received on the sales of about 551 thousand hectares in the same period in 2015. Average crown land prices for that period have also decreased from $221.37/hectare in 2015 to $120.89/hectare in 2016.

Petroleum and Natural Gas Rights	Apr-16	Apr-15	YTD 2016	YTD 2015
Bonuses	$11,010,218.91	$20,658,129.05	$39,259,079.02	$100,243,364.49
Hectares	85,930	212,715	322,340	505,424
Average Price per Hectare (Cdn$)	$128.13	$97.12	$121.79	$198.34

Oil Sands Rights	Apr-16	Apr-15	YTD 2016	YTD 2015
Bonuses		$506,453.76	$26,493.44	$21,757,553.92
Hectares	-	21,504	2,624	45,696
Average Price per Hectare (Cdn$)		$23.55	$10.10	$476.14

Source: Alberta Energy

Alberta Rig Activity



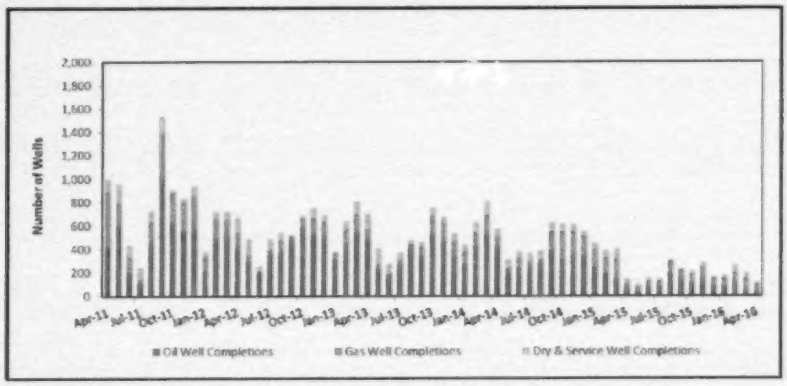
Canadian Drilling	Drilling April 29, 2016	Up or Down Compared to the Previous Week	WTI ($/bbl)
Alberta	26	-4	$ 44.30
Saskatchewan	3		
British Columbia	6		
Canada	37	-3	

Source: Baker Hughes

Canadian rig activity was down 3 at 37 for the week of April 29, 2016 and is 41 (52.8%) lower than last year.
The number of rigs drilling for oil was down 2 at 10 and is 7 (41%) lower than last year.
Gas directed rig count at 26 was down 1 and is 36 rigs (58%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 113 wells completed in April 2016, down 20% from 141 wells completed in April 2015.

Compared to January - April 2015, oil completions are down 58% and gas completions are down 38% for the same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	**4,945**
	Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	**1,210**
	Dry & Service	35	46	55	126	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	106	119	166	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	65	75	93	63	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30									**267**
	Gas Wells	55	90	106	69									**320**
	Dry & Service	29	64	51	14									**158**

Source: JuneWarren-Nickle's Energy Group